

First Union Rail Corporation

One O'Hare Center
6250 River Road, Suite 5000
Rosemont, Illinois 60018-4214
847 318-7575
Fax 847 318-7588

VIA FEDERAL EXPRESS



October 26, 1998

RECORDATION NO. 21748 FILED

OCT 27 '98

4-08 PM

Surface Transportation Board
Attn: Jan Fort
1925 K Street, N.W., Room 704
Washington, DC 20423-0001

Re: Memorandum of Lease Agreement

Dear Ms. Fort:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) originals and two (2) copies of a Memorandum of Lease Agreement, dated September 30, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents. The names and addresses of the parties to the enclosed document are:

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: Conrail
2001 Market Street
P.O. Box 41407
Philadelphia, PA 19101-1407

A description of the railroad equipment covered by the enclosed document is set forth on Exhibit A, as attached to such Memorandum.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Susan Grokulskey".

Susan Grokulskey
Manager - Documents Administration

Enclosures

(CR007)

EXHIBIT A
to
RIDER NO. 3

RECORDATION NO. 21748 FILED
OCT 27 '98 4-08 PM

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 30th day of September, 1998, by and between First Union Rail Corporation ("Lessor"), a North Carolina corporation, and Consolidated Rail Corporation ("Lessee"), a Pennsylvania corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Master Lease Agreement (the "Lease"), dated as of May 1, 1998, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 3 to the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of July 1, 1998 and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

ATTEST:

By: [Signature]
Name: R.A. DOMBROWSKI
Title: MANAGER-DOCUMENTATION

By: [Signature]
Name: RICHARD F. SEYMOUR
Title: Vice President Sales & Marketing

Executed on this 19th day of October, 1998.

[CORPORATE SEAL]

STATE OF ILLINOIS

COUNTY OF COOK

I, Susan Grokulsky, a Notary Public of the County and State aforesaid, certify that Richard F. Seymour personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 19th day of October, 1998.

Susan Grokulsky
Notary Public

My Commission Expires:

8/14/2000
(Notary Public)



LESSEE:

CONSOLIDATED RAIL CORPORATION

ATTEST:

By: Thomas J. McGraw
Name: Thomas McGraw
Title: Asst. Treasurer

Executed on this 30 day of Sept., 1999.

By: W.C. Jackson
Name: W.C. JACKSON
Title: Asst. Corp. Sec.

[CORPORATE SEAL]

STATE OF Pennsylvania
COUNTY OF Philadelphia

I, Suzanne J. Rossmando, a Notary Public of the County and State aforesaid, certify that Thomas McGraw personally appeared before me this day and acknowledged his due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 30th day of September, 1998.

Suzanne J. Rossmando
Notary Public

My Commission Expires:

NOTARIAL SEAL
Suzanne J. Rossmando, Notary Public
City of Philadelphia, Phila. County
My Commission Expires June 28, 1999

EXHIBIT A
to
MEMORANDUM OF LEASE

DESCRIPTION OF CARS

Seventeen (17) 100-Ton, Air Slide Dump Railcars

CAR NUMBERS

CR 53501 through CR 53517, inclusive.